

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

September 22, 2006

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

PSF No.:06MD-101

MAUI

Reconsideration of Rent under General Lease No. S-4544 to The Episcopal Church in Hawaii, Lessee, for Church and Allied Purposes, Waiohuli, Maui, Tax Map Key: (2) 3-9-1:12.

APPLICANT:

The Episcopal Church in Hawaii, a Hawaii non-profit corporation.

LEGAL REFERENCE:

Section 171-43.1, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Waiohuli situated at Wailuku, Maui, identified by Tax Map Key: (2) 3-9-1:12, as shown on the attached map labeled Exhibit A.

AREA:

2.723 acres, more or less.

ZONING:

State Land Use District: Urban  
County of Maui CZO: Public Use

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State  
Constitution: YES \_\_\_\_\_ NO \_\_\_\_\_x

CHARACTER OF USE:

Church and allied purposes.

LEASE TERM:

Sixty-five (65) years, commencing on May 24, 1974 and expiring on May 23, 2039.

ANNUAL RENT:

\$180.00 for the time period May 24, 1994 to May 23, 2006.

RENTAL REOPENINGS:

At the 20th, 32nd, 45th and 55th years of the lease term. Pursuant to page 2 of the subject lease, "The rental for any ensuing rental period shall be the rental for the immediately preceding rental period or the fair market rental at the time of reopening, whichever is higher. The fair market rental shall be determined by an appraiser whose services shall have been contracted for by the Lessor; provided that should the Lessee fail to agree to such fair market rental, Lessee may appoint its own appraiser who, together with the Lessor's appraiser, shall promptly appoint a third appraiser and the fair market rental shall be determined by arbitration as provided by Chapter 658, Hawaii Revised Statutes. The Lessee shall pay for the services of its own appraiser and the cost for the services of the third appraiser shall be borne equally by the Lessor and Lessee."

DCCA VERIFICATION:

Place of business registration confirmed:	YES	<u>x</u>	NO	<u>      </u>
Registered business name confirmed:	YES	<u>x</u>	NO	<u>      </u>
Applicant in good standing confirmed:	YES	<u>x</u>	NO	<u>      </u>

BACKGROUND:

The Land Board at its meeting on May 24, 1974, under agenda Item F-7, approved the direct lease to Kihei Episcopal Church. The Church would rehabilitate and utilize the old church ruins on the grounds as a permanent place for church services, restore and maintain the small cemetery near the church, improve the access road leading to the area and provide for off-street parking. The Land Board at its meeting on May 9, 1975, under agenda Item F-5, amended its prior approval by correcting the name of the Applicant to The Episcopal Church in Hawaii. General Lease No. S-4544 was executed on December 29, 1978 commencing May 24, 1974 to May 23, 2039.

The land Board at its meeting on October 22, 2004, under agenda Item D-8 and November 19, 2004, under agenda item D-26, approved to amend General lease No. S-4544 by establishing the rent for from May 24, 1994 to May 23, 2006 to be \$180 per annum and the rent reopening changed from the 30th year to the 32nd year (May 24, 2006).

DISCUSSION:

According to General Lease No. S-4544 and subsequent Amendment, the "rental for any ensuing period shall be the rental for the immediately preceding rental period or the fair market rental at the time of reopening, whichever is higher."

A rent reopening was on May 24, 2006. Staff has not yet contracted the services of an independent appraiser to determine the fair market rental. Staff thought this Board may want to consider establishing the new rent at an amount at less than fair market value.

As background, the Board of Land and Natural Resources (Board) typically issues leases to private individuals and entities via public auction. The new rent at reopening is established at fair market rental value by an appraisal. If the tenant or prospective tenant is an eleemosynary (charitable) organization, the Board may issue the lease, at a nominal rent, by direct negotiation. The statute providing the Board this authority is as follows:

**§171-43.1 Lease to eleemosynary organizations.** The board may lease, at a nominal consideration, by direct negotiation and without recourse to public auction, public lands to an eleemosynary organization which has been certified to be tax exempt under sections 501(c)(1) or 501(c)(3) of the Internal Revenue Code of 1986, as amended. The lands shall be used by such eleemosynary organizations for the purposes for which their charter was issued and for which they were certified by the Internal Revenue Service. [L 1970, c 83, §5; am L 1971, c 100, §1; am L 1982, c 202, §1; am L 1991, c 212, §3]

It is noted that the 501(c)(1) organization must be both organized by an Act of Congress and be an instrumentality of the United States, while the 501(c)(3) organization is a privately organized charitable organization.

Therefore, when considering lease dispositions to eleemosynary (charitable) organizations, the Board may issue the lease by public auction at fair market rent, or by direct negotiation at an amount below fair market rental (i.e., nominal rent). On May 13, 2005, the Land Board established a Minimum Rent Policy that stated, among other things, that the Minimum Rent for Lease be no less than \$480 per year. Land Division generally issues Leases at fair market rental value as determined by an appraiser or via public auction. Staff believes "nominal rent" under Section 171-43.1, Hawaii Revised Statutes ought to be anywhere between fair market rent, or lower, but not lower than the minimum rent of \$480 per year.

Staff has requested information on the Lessee's operations, services, program measurements, budget and funding and has attached

whatever the Lessee has provided [Exhibit B].

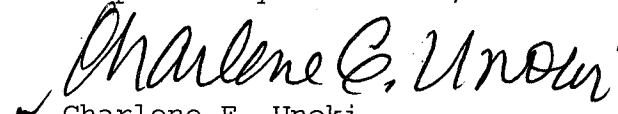
It should be noted that when the Lessee obtained its lease in 1978, when Section 171-43.1, Hawaii Revised Statutes provided the Board may lease by direct negotiation and without recourse to public auction, to an eleemosynary organization certified by the director of taxation to be tax exempt under section 235-9(a)(2). There was no mention that the rent should be at nominal. Changes were implemented by Act 212, Session Laws of Hawaii 1991. [Exhibit D]

The Lessee is in compliance with all lease terms and conditions. Rent of \$180 is paid up to May 23, 2007. Liability insurance expires January 1, 2007. There is a \$360 cash bond on deposit. A Notice of Default was issued February 2004 for not posting the performance bond, expired fire and liability insurance coverage. The items were submitted to our Maui District Office on February 20, 2004.

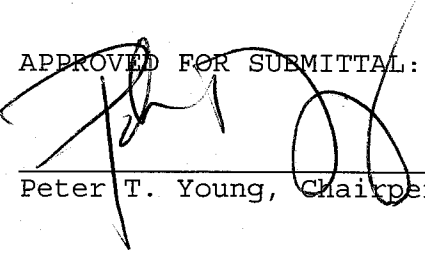
RECOMMENDATION: That the Board

1. Amend General Lease No. S-4544, The Episcopal Church in Hawaii, Lessee, by (1) add 'Effective May 24, 2006 to May 23, 2019, the annual rental shall be \$480 per annum' subject to:
  - A. The standard terms and conditions of the most current lease amendment document form, as may be amended from time to time;
  - B. Review and approval by the Department of the Attorney General; and
  - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

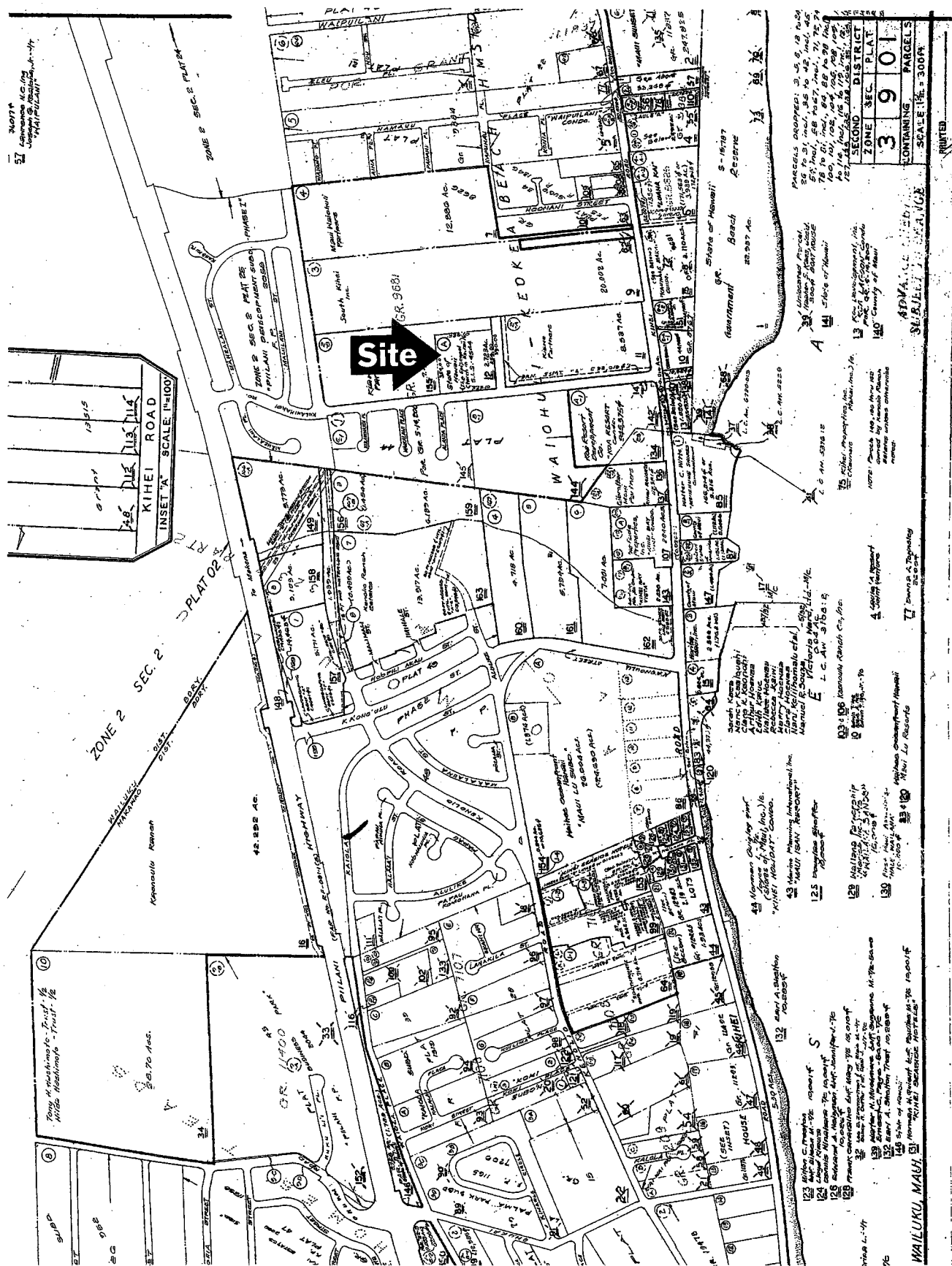
Respectfully Submitted,

  
Charlene E. Unoki  
Assistant Administrator

APPROVED FOR SUBMITTAL:

  
\_\_\_\_\_  
Peter T. Young, Chairperson

**EXHIBIT "A"**



# EXHIBIT "B"

## APPLICATION AND QUALIFICATION QUESTIONNAIRE

(Non-Profit)

Write answers in the spaces provided. Attach additional sheets as necessary, clearly indicating the applicable section number.

### Part I: General Information

1. Applicant's legal name: THE EPISCOPAL CHURCH IN HAWAII  
DBA TRINITY EPISCOPAL CHURCH BY-THE-SEA
2. Applicant's full mailing address:  
P.O. Box 813  
KIHEI, HI 96753
3. Name of Contact Person: THE REV. MORLEY E. FRECH, JR.  
Contact Person Phone No.: 808-879-0161 Fax No.: 808-879-0161
4. Applicant is interested in the following parcel:  
Tax Map Key No.: (2) 3-9-01:12 Location: KIHEI, MAUI  
If Applicant is current lessee: General Lease No.: S-4544
5. When was Applicant incorporated? INCORPORATED UNDER THE EPISCOPAL  
CHURCH IN HAWAII
6. Attach the following:
  - A. Articles of Incorporation
  - B. Bylaws
  - C. List of the non-profit agency's Board of Directors
  - D. IRS 501(c)(3) or (c)(1) status determination
  - E. Tax clearances from both the Internal Revenue Service and State of Hawaii
  - F. Audited financial statements for the last three years. If not audited, explain why.  
If Applicant is a new start-up, attach projected capital and operating budgets.
  - G. Any program material which describes eligibility requirements or other requirements to receive services

### Part II: Qualification

7. Is Applicant registered to do business in Hawaii: Yes/No
8. Has Applicant received tax exempt status from the Internal Revenue Service? Yes/No
9. Is Applicant licensed or accredited in accordance with federal, State or county statutes, rules, ordinances, to conduct the proposed activities? Yes/No

List all such licenses and accreditations required: N/A

# EXHIBIT "B"

10. Is Applicant in default or otherwise not in good standing with any State department (e.g. POS agency, DCCA, DLNR, etc.)?

Yes ☒ No

If yes, explain: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

11. Has Applicant had a State of Hawaii lease, permit, license, easement or sale in fee cancelled within the last five years? If yes, list:

Yes ☒ No

<u>Doc. No.</u>	<u>Type of Agreement</u>	<u>Term of Agreement</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

12. Does Applicant have any policies which discriminate against anyone on the basis of race, creed, color, national origin, sex or physical handicap?

Yes ☒ No

If yes, explain: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

13. Has Applicant received funding from a federal, State, or county government agency, the Aloha United Way, and/or a major private foundation within the last three years? Please list all such contracts below:

Yes ☒ No

<u>Agency</u>	<u>Contract Term</u>	<u>Contract Amount</u>
F.E.M.A.	1-1-00 / 12-31-00	\$ 1890.50
F.E.M.A.	10-1-98 / 12-31-99	\$ 1812.67
_____	_____	\$ _____
_____	_____	\$ _____
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_____	_____	\$ _____

## EXHIBIT "B"

14. If Applicant has not received funding from a federal, State or county government agency, the Aloha United Way and/or a major private foundation during the past three years, describe Applicant's qualifications to effectively perform the proposed services, including but not limited to, grants or subsidies received from non-major, private funders and/or staff or Board members who possess significant experience in Applicant's service field.

### Part III: Program Activities and Persons to be Served

15. What activities will be conducted on the premises to be leased?

A. RELIGIOUS

B. COMMUNITY MEETINGS

C. BREAKFAST PROGRAM

16. What are the specific objectives of these activities?

A. TO BE AN EPISCOPAL CHURCH PRESENCE IN KIHAI

B. TO PROVIDE MEETING SPACE FOR VARIOUS GROUPS

I.E. A.A., N.A., COMMUNITY BOARDS, ETC.

C. TO SERVE BREAKFAST TO THE HUNGRY OF SOUTH MAUI

17. Describe the community need for and the public benefit derived from these activities.

A. TO GIVE RESIDENTS AND VISITORS A PLACE TO WORSHIP

IN THE EPISCOPAL TRADITION

B. TO GIVE A GREATER SENSE OF COMMUNITY TO KIHAI

C. TO PROVIDE A HOT MEAL TO START THE DAY

18. Describe the targeted population for these activities by: 1) age group, 2) gender, 3) ethnic background, 4) income level, 5) geographic location of residence, 6) special needs/disability, and 7) other applicable characteristic(s).

A, B, AND C ABOVE ARE FOR ALL PEOPLE OF

ALL AGES, GENDER, ETHNIC BACKGROUND,

INCOME LEVELS, GEOGRAPHIC LOCATION OF

RESIDENCE AND WE ARE EQUIPPED FOR THOSE

WITH SPECIAL NEEDS/DISABILITIES

# EXHIBIT "B"

19. Describe all eligibility requirements of clients to participate in the activities, e.g. age, income level, ethnic background, income level, disability, etc.

THERE ARE NO REQUIREMENTS.

20. Do you require membership to participate in these activities?  
If yes, list the requirements of becoming and remaining a member:

Yes/No ☒

21. How many unduplicated persons will engage in the activities annually?

Activity	Persons Per Year
A. <u>RELIGIOUS</u>	<u>4,000</u>
B. <u>COMMUNITY MEETINGS</u>	<u>2,500</u>
C. <u>BREAKFAST PROGRAM</u>	<u>1,200</u>

22. Is State funding made available for the activities to be conducted on the leased premises?

Yes/No ☒

If yes, by which State agency: \_\_\_\_\_

23. List all activities to be conducted on the leased premises which require payment of excise taxes, e.g. subleasing, sale of products or services. Include an estimate of annual gross revenues from each activity.

N/A

## Part IV: Development of the Land

24. Describe the proposed site development plan for the property, indicating the location and size of buildings, parking areas, landscaped areas and related uses. Attach sketch of plan if available.

ALL BUILDINGS, PARKING LOT, WALKWAYS,  
LANDSCAPING, ETC. WAS COMPLETED  
IN JANUARY, 1991.

# EXHIBIT "B"

25. What improvements to the land do you intend to make and at what cost?  
INSTALLATION OF A COLUMBARIUM  
IN OCTOBER, 2001 APPROX. COST \$20,000  
FOR WHICH WE HAVE  
BEEN GIVEN APPROVAL.
26. How will the improvements be funded?  
CONSTRUCTION COSTS HAVE BEEN PAID  
FOR THROUGH SPECIAL GIFTS
27. Describe all environmental, land use and other permitting requirements which must be met to develop the land as proposed.  
N/A
28. Will you be subleasing any portion of the property? If yes, describe the sublease uses:  
NO.

## Part V: Notarized Certification

I/We hereby certify that the statements and information contained in this Application and Questionnaire, including all attachments, are true and accurate to the best of my/our knowledge and understand that if any statements are shown to be false or misrepresented, I/we may be disqualified from receiving a lease or my/our lease may be canceled.

TRINITY EPISCOPAL CHURCH

Applicant Name

BY-THE-SEA

Applicant Name

By:

Marilyn E. French

By:

Its:

RECTOR

Its:

Date:

8/15/01

Subscribed and sworn to before me this  
15<sup>th</sup> day of August, 2001.

H. Mathis

H. MATHIS

Notary Public

County of:

Mau

State of:

Hawaii

My commission expires:

4-15-2003



EXHIBIT "B"

District Director  
Internal Revenue Service

Date

JUL 12 1974

In reply refer to 421:200:3:

L-225, Code 21X

Rel. 11-3-4-103

The Episcopal Church in Hawaii  
Queen Emma Square  
Honolulu, Hawaii 96813

<99-0013327>

Date of Exemptions  
Internal Revenue Code Sections

February 21, 1938

501(c)(3)

Gentlemen:

Thank you for submitting the information shown below. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,

*H. John Grant*

H. John Grant  
Internal Revenue Agent

Item Changed  
Name

From	To
The Protestant Episcopal Church in the Hawaiian Islands	The Episcopal Church in Hawaii



# TREASURY DEPARTMENT

WASHINGTON

Office of  
COMMISSIONER OF INTERNAL REVENUE

ADDRESS ONLY TO  
COMMISSIONER OF INTERNAL REVENUE  
AND REPLY TO

EXHIBIT "B"

IT:EE:SET

FEB 21 1933

The Protestant Episcopal Church in the  
Hawaiian Islands,  
Saint Andrew's Cathedral,  
Queen Emma Square,  
Honolulu, T. H.

<44-007354>

Sirs:

Reference is made to the evidence submitted for use in determining your status for Federal income tax purposes, such determination being necessary in order to ascertain the deductibility of contributions to Saint Andrew's Cathedral, one of your units.

The evidence discloses that you were incorporated in 1862 under the laws of Hawaii with the name of the "Synod of the Hawaiian Reformed Catholic Church". In 1873 this name was changed to "The Trustees of the Anglican Church in Hawaii" and in 1901 to the present one upon the extension of the jurisdiction of the branch of the Anglican Communion established in the United States of America by the incorporation of the Hawaiian Islands as a territory of the United States of America.

It is further indicated by the evidence that your activities are religious and educational with income derived from contributions and gifts. Such income is used to maintain your religious and educational activities, none of it inuring to the benefit of any private individual.

Based on the facts presented, it is held that you, together with your various units, including Saint Andrew's Cathedral, are entitled to exemption under the provisions of section 101(c) of the Revenue Act of 1936 and the corresponding provisions of prior revenue acts. You are not, therefore, required to file returns of income so long as there is no change in your organization, your purposes, or method of operation.

Any changes in your form of organization or method of operation, as shown by the evidence submitted, must be immediately reported to the collector of internal revenue for your district, in order that the effect of such changes upon your present exempt status may be determined.

- 2 -

The Protestant Episcopal Church in the  
Hawaiian Islands.

EXHIBIT "B"


The exemption referred to in this letter does not apply to taxes levied under other titles or provisions of the respective revenue acts except insofar as exemption is granted expressly under those provisions to organizations enumerated in section 101 of the Revenue Act of 1936 and the corresponding provisions of prior revenue acts.

Contributions to your organization by individual donors are deductible by such individuals in arriving at their taxable net income in the manner and to the extent provided by section 23(c) of the Revenue Act of 1936 and the corresponding provisions of prior revenue acts. The deductibility of contributions by corporations is governed by section 23(q) of the Revenue Act of 1936.

A copy of this letter is being transmitted to the collector of internal revenue at Honolulu, T. H.

By direction of the Commissioner.

Respectfully.



Deputy Commissioner.



DEPARTMENT OF TAXATION  
STATE OF HAWAII

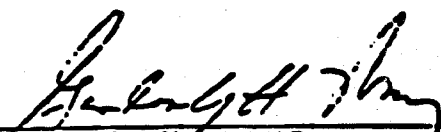
EXHIBIT "B"

Honolulu, Hawaii  
August 7, 1975

CERTIFICATION OF THE EPISCOPAL CHURCH IN HAWAII  
UNDER ACT 100, L. 1971

I, GORDON Y. H. WONG, Director of Taxation, State of Hawaii, do hereby certify, on the basis of information available, that The Episcopal Church in Hawaii is a nonprofit organization exempt from Hawaii Income tax under Section 235-9(a)(2), Chapter 235, HRS.

Dated: Honolulu, Hawaii  
this 7<sup>th</sup> day of  
August, 1974.

  
GORDON Y. H. WONG  
Director of Taxation

# EXHIBIT "C"

Policies File

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

May 13, 2005

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Statewide

## Minimum Rent Policy for New Dispositions

### BACKGROUND

Pursuant to discussion among staff, we feel there is a need to balance staff time and costs against the returns from Land Division dispositions. The State should receive a fair return on the land while maintaining its duty under the public land trust.

The current lowest rent for leases and revocable permits is \$156 per year or \$13 per month. Staff cannot locate any Board approval regarding the definition or the origin of the "minimum rent". Staff believes that in the past we just administratively adopted the term.

A consulting report by local real estate appraisal and consulting firm Medusky & Co. was completed in April 2004 which addressed the state's proposed formula for calculating one-time payments for term shoreline encroachment easements. The report recommended that for small encroachments where the rent payment, when calculated using the recommended formula is less than \$500, a minimum rent be charged of \$500. The \$500 amount was derived via other small easement considerations researched from the market. This fee was considered reasonable in part for inconvenience and to defray administrative costs. The Board has adopted the \$500 minimum rent for shoreline encroachments.

### RESEARCH

Staff has conducted some research into overhead and administrative costs necessary to manage new dispositions and reopenings. Other landowners were surveyed such as Campbell Estate and Kamehameha Schools Bishop Estate. Campbell does not have a universal minimum rent but every year they set their rent based on the current conditions and evaluates all new deals based on that. Calls to Kamehameha Schools were not returned. Department of Transportation (DOT) and Department of Agriculture were also surveyed as to their policy regarding minimum rent. Only DOT charges a minimum rent of \$20 per month for rental of storage areas in the harbor areas.

APPROVED BY THE BOARD OF  
LAND AND NATURAL RESOURCES  
AT ITS MEETING HELD ON *MO*

May 13, 2005

ITEM D-19

Dispositions including lease, easement, license and revocable permit involve rental payments on a recurring basis or lump sum. The proposed guideline as explained below will cover these disposition but not the fee conveyances, e.g. sale of remnant or reclaimed land.

Further, staff notes that land dispositions involve multiple offices, e.g. DLNR, DAGS, AG. Staff would point out that the minimum rent recommended below only covers the staff cost of DLNR as the other agencies are only involved at the application stage. Once the disposition is consummated, DLNR is the only agency that manages the disposition and incurs staff costs. While we want to recoup part of the staff cost, staff feels that the figure has to be realistic and affordable by our tenants.

Also, time consumed for different disposition could be varied. Staff discussed the time with other districts and feels that an 8-manhour period is appropriate as the basis of this analysis.

#### EVALUATION:

Eight hours at a rate of \$18.91 (starting hourly rate of a Land Agent IV) is \$151.28. However, after the initial year, staff time expended on a disposition, which is in compliance with the terms and conditions, would be reduced substantially. Therefore, staff recommends a 75% discount from the total staff costs to account for the ongoing staff time on managing the disposition. Staff recommends \$40 per month or \$480 per year ( $\$151.28 \times 25\% = \$37.82$ , rounded to \$40 per month) as the minimum rent for all dispositions involving recurring rental payment.

Staff feels the minimum one-time payment (\$500) adopted by the Board for shoreline encroachment could be used as a guideline for other term or perpetual easements as well. The report by Medusky based his findings on market data, which reviewed other minimum rent payments for a variety of other easements. The report concluded a minimum payment for small encroachment easements of \$500. Land Division has been recommending one-time payment for other types of easements (e.g. access, utility easements). Easement valuations are largely determined via independent appraisal. However, in the event the appraised value for the term or perpetual easement is below \$500, then Staff recommends a \$500 charge to cover administrative overhead. Staff feels this amount should be set as a minimum for all dispositions involving one-time payment.

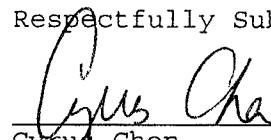
#### RECOMMENDATION

That the Board approves the above policy by requiring:

- A. All new dispositions by Land Division shall be subject to a minimum rent of \$40 per month, \$480 per year or \$500 (one-time payment) depending on the payment term.
- B. Staff shall bring any cases that require deviation from the above policy to the Board for approval.

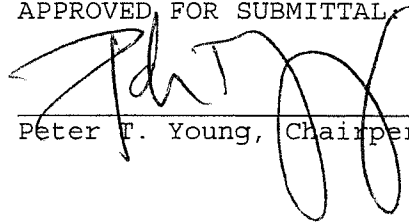
May 13, 2005

Respectfully Submitted,



Cyrus Chen  
Appraisal Manager

APPROVED FOR SUBMITTAL



Peter T. Young, Chairperson

EXHIBIT "D"

# SESSION LAWS OF HAWAII

SIXTEENTH STATE LEGISLATURE



REGULAR AND SPECIAL SESSIONS OF 1991

## ACT 212

[[proceeding]] shall not be a prerequisite for any civil fine or injunctive relief ordered by the circuit court.

(25) Any law to the contrary notwithstanding, any county mayor may exempt by executive order donors, provider agencies, homeless facilities, and any other program for the homeless under chapter from real property taxes, water and sewer development fees, rates collected for water supplied to consumers and for use of sewers, and any other county taxes, charges, or fees; provided that any county may enact ordinances to regulate and grant the exemptions granted by this paragraph.

SECTION 3. Section 171-43.1, Hawaii Revised Statutes, is amended to read as follows:

**"§171-43.1 Lease to eleemosynary organizations.** The board may lease, at a nominal consideration, by direct negotiation and without recourse to public auction, public lands to an eleemosynary organization which has been certified [by the director of taxation] to be tax exempt under [section 235-9(a)(2).] sections 501(c)(1) or 501(c)(3) of the Internal Revenue Code of 1986, as amended. The lands shall be used by such eleemosynary organizations for [charitable, religious, or educational purposes. If the eleemosynary organization has been chartered by the United States Congress for fraternal, patriotic, historical, and educational purposes, the lands shall be used for the purposes for which the congressional charter was issued.] the purposes for which their charter was issued and for which they were certified by the Internal Revenue Service."

SECTION 4. Section 237-23, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) This chapter shall not apply to the following persons:

- (1) Banks taxable under chapter 241;
- (2) Public service companies (as that term is defined in section 239-2), with respect to the gross income, either actual gross income or gross income estimated and adjusted, which is included in the measure of the tax imposed by chapter 239;
- (3) Public utilities owned and operated by the State or any county or other political subdivision thereof;
- (4) Insurance companies which pay the State a tax upon their gross premiums under chapter 431;
- (5) Fraternal benefit societies, orders, or associations, operating under the lodge system, or for the exclusive benefit of the members of the fraternity itself, operating under the lodge system, and providing for the payment of death, sick, accident, prepaid legal services, or other benefits to the members of such societies, orders, or associations, and to their dependents;
- (6) Corporations, associations, trusts, or societies organized and operated exclusively for religious, charitable, scientific, or educational purposes, as well as that of operating senior citizens housing facilities qualifying for a loan under the laws of the United States as authorized by section 202 of the Housing Act of 1959, as amended [by the Housing Act of 1961, the Senior Citizens Housing Act of 1962, the Housing Act of 1964, and the Housing and Urban Development Act of 1965], as well as that of operating a prepaid

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